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EIGHT CHARGED IN CONNECTION WITH \$80 MILLION SCHEME TO DEFRAUD THE EXPORT-IMPORT BANK OF THE UNITED STATES

WASHINGTON – A total of eight defendants have been charged in connection with an \$80 million scheme to defraud the Export-Import Bank of the United States, Assistant Attorney General Alice S. Fisher of the Criminal Division and U.S. Attorney Jeffrey A. Taylor of the District of Columbia announced today.

Five of the eight individuals charged have pleaded guilty in connection with a scheme involving \$80 million worth of fraudulent loan transactions between companies located in the Philippines and United States lending banks, in which the Export-Import Bank of the United States (Ex-Im Bank) acted as guarantor or insurer. As part of the scheme, a loan broker in the Philippines assisted borrowers in executing loan agreements with the lending banks and in obtaining loan guarantees or insurance policies from the Ex-Im Bank as part of the loan agreements. The loan broker then recruited United States exporters for the purpose of purchasing U.S. goods and shipping those goods to the Philippine borrowers, and then instructed the exporters to prepare false shipping documents and submit those false documents to the lending banks to make it appear that they had purchased and shipped goods. In reality, the exporters did not purchase the goods called for in the loan agreements, and instead misappropriated a majority of the loan proceeds.

Three plea agreements were unsealed today in the U.S. District Court for the District of Columbia. The first case unsealed today involved Daniel Curran, 52, of Boynton Beach, Fla., who pleaded guilty on June 8, 2007, in U.S. District Court for the District of Columbia to charges of conspiracy to defraud the United States and mail fraud. According to the charges, Curran, through his company Dankim Trading, acted as a purported exporter in approximately \$30 million worth of fraudulent loan transactions, falsified documents sent to United States banks and to the Ex-Im Bank, and misappropriated more than \$24 million in loan proceeds that were guaranteed by the Ex-Im Bank. Curran faces a maximum sentence of 35 years in prison, including five years on the conspiracy charge and 30 years on the mail fraud charge.

The second case unsealed today involved Edward Chua, 55, of Montebello, Calif., who pleaded guilty on July 13, 2007, in U.S. District Court for the District of Columbia to conspiracy to defraud the United States and mail fraud. According to the charges, Chua, through his companies EMMCCO and ECCO, acted as a purported exporter in

approximately \$10 million worth of fraudulent loan transactions, falsified documents sent to United States banks and to the Ex-Im Bank, and misappropriated approximately \$10 million in loan proceeds that were guaranteed by the Ex-Im Bank. Chua faces a maximum sentence of 35 years in prison, including five years on the conspiracy charge and 30 years on the mail fraud charge.

The third case unsealed today involved David Villongco, 51, of San Mateo, Calif., who pleaded guilty on March 16, 2007, in U.S. District Court for the District of Columbia to conspiracy to defraud the government with respect to claims and mail fraud. Villongco, through his company PBJ Venture International Corporation, acted as a purported exporter in approximately \$20 million worth of fraudulent loan transactions, falsified documents sent to United States banks and to the Ex-Im Bank, and misappropriated approximately \$16 million in loan proceeds that were guaranteed by the Ex-Im Bank. Villongco faces a maximum sentence of 40 years in prison.

The Ex-Im Bank, an independent agency of the United States, is the official export credit agency of the United States and issues loan guarantees and insurance to United States banks on behalf of creditworthy foreign companies for the purpose of purchasing United States goods. Once the Ex-Im Bank issues a loan guarantee or insurance policy, if the foreign borrower defaults on its loan repayments, the Ex-Im Bank pays the lender the amount of the outstanding loan. The criminal investigation into potentially fraudulent loans at the Ex-Im Bank was initiated by the Ex-Im Bank submitting a criminal referral to the Department of Justice.

Five other defendants have been charged and/or convicted in the same or related schemes to defraud the Ex-Im Bank.

- Marilyn G. Ong, 51, and her nephew Ildefonso Ong Jr., 43, both from Manila, Philippines, were charged in a 19-count indictment returned by a federal grand jury in the District of Columbia on October 4, 2007. The Ongs were charged with one count of conspiracy to defraud the United States and to commit offenses against the United States; four counts of submitting false statements to the Ex-Im Bank; four counts of mail fraud; and nine counts of money laundering. The indictment also charged Marilyn Ong with obstructing the Ex-Im Bank's investigation of the fraudulent scheme. The Ongs face a maximum sentence of five years in prison on the conspiracy charge, five years in prison on each of the false statement charges, 30 years in prison on each of the mail fraud charges, and 10 years in prison on each of the money laundering charges. Marilyn Ong faces an additional maximum sentence of five years in prison on the obstruction charge, for a total potential maximum sentence of 240 years in prison. The indictment also seeks forfeiture from the Ongs of the misappropriated loan proceeds. An indictment contains only allegations and defendants are innocent unless and until proven guilty.
- Christina Song, 49, of Whittier, Calif., was charged on Oct. 5, 2007, in U.S. District Court for the District of Columbia with conspiracy to defraud the United

States and mail fraud. According to the charges, Song, through her company V&C Trading/Song Company, acted as a purported exporter in approximately \$17 million worth of fraudulent loan transactions, falsified documents sent to United States banks and to the Ex-Im Bank, and misappropriated approximately \$15 million in loan proceeds that were guaranteed by the Ex-Im Bank. Song faces a maximum sentence of 35 years in prison.

- Jaime Galvez, 51, of Redondo Beach, Calif., pleaded guilty on Oct. 5, 2007, in U.S. District Court for the District of Columbia before Judge Roberts, to a two-count criminal information charging him with destruction or concealment of records in a Federal investigation and perjury. According to the charges, Galvez was the owner and president of J.G. International Freight Corporation (“JG International”), a freight forwarding company in the business of packaging and shipping goods overseas. Galvez caused the concealment and destruction of approximately 35 commercial invoices that were responsive to a grand jury subpoena submitted to J.G. International. The information also charged Galvez with committing perjury before a grand jury in the District of Columbia. He faces a maximum sentence of 25 years in prison. Sentencing has been set for December 20, 2007.
- Robert Delgado, 46, of Fremont, Calif., pleaded guilty on Nov. 17, 2006, in U.S. District Court for the District of Columbia to conspiracy to defraud the government with respect to claims and mail fraud. According to the charges, Delgado, through his company Global Resources Group, acted as a purported exporter in two fraudulent loan transactions, falsified documents sent to United States banks and to the Ex-Im Bank, and misappropriated approximately \$2.1 million in loan proceeds that were guaranteed by the Ex-Im Bank. Delgado was sentenced on Oct. 5, 2007, by the Honorable Richard W. Roberts to 24 months in prison and ordered to pay more than \$1.9 million in restitution on the conspiracy and mail fraud charges.

“These defendants allegedly targeted the Export-Import Bank in a large-scale, multi-million dollar fraud conspiracy,” said Assistant Attorney General Alice S. Fisher of the Criminal Division. “The Department of Justice, the FBI and our partners at the Postal Inspection Service will work diligently to prosecute fraud against the financial institutions that play such an important role in our nation's economy.”

“The charges reflect law enforcement’s combined efforts to bring to justice those individuals, both here and abroad, who corrupt government programs intended to benefit American commerce,” said U.S. Attorney Jeffrey Taylor of the District of Columbia.

“Today's indictments illustrate that the FBI will continue to investigate reports of fraudulent loan transactions,” said Assistant Director in Charge Joseph Persichini Jr., of the FBI’s Washington Field Office. “The FBI encourages citizens to report suspicious loan activities to law enforcement authorities to protect the integrity of the nation's loan and financial industries.”

“The guilty pleas entered by the co-conspirators for their roles in this mail fraud scheme can be attributed to the thoroughness of this investigation,” said Inspector in Charge B. Bernard Ferguson. “The Postal Inspection Service remains committed to investigating international scams that impact our nation and misuse our nation’s mail system.”

These cases are being investigated by the United States Postal Inspection Service’s Los Angeles Division and the Federal Bureau of Investigation’s Washington Field Office. The cases are being prosecuted by Trial Attorney Hank Bond Walther of the Fraud Section, Criminal Division, U.S. Department of Justice, Washington, D.C., and Laurel Loomis Rimon and Michael K. Atkinson, Assistant U.S. Attorneys in the District of Columbia.

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